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*Case No IV/M.099 -
NISSAN / R. NISSAN*

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 28.06.1991

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MERGER PROCEDURE
ARTICLE 6(1)b DECISION

VERSION FOR THE PUBLIC

Registered with advice of delivery

To the notifying parties

Dear Sirs,

Subject: Case No IV/M099 - NISSAN/R.NISSAN
Your notification pursuant to Article 4 of Council
Regulation No 4064/89

1. On 20 February 1991, Nissan Europe N.V., a Dutch wholly owned subsidiary company of the Nissan Motor Co Ltd (Nissan Group) and certain shareholders of Richard Nissan S.A. entered into an agreement by which Nissan Europe N.V. will increase its present shareholding of 9,5% in Richard Nissan S.A. to 81,6%. Nissan Europe N.V. deals with the sales and marketing activities of the Nissan Group in Europe whose main activity is in the vehicle sector. Richard Nissan S.A. is the French importer and distributor of the Nissan products.
2. After examination of the notification, the Commission has come to the conclusion that the notified operation falls within the scope of Council Regulation N° 4064/89 and does not raise serious doubts as to its compatibility with the Common Market.
3. CONCENTRATION AND COMMUNITY DIMENSION
 - a) Concentration

The proposed transaction is a concentration within the meaning of Art. 3(1)b of the Council Regulation N° 4064/89 since the Nissan Group will acquire control of Richard Nissan S.A..

- b) Community dimension

The operation has a Community dimension: the worldwide and the Community-wide turnover in 1990 of the Nissan Group amounted to ECU 35,2 and 3,8 billion respectively. The turnover of Richard Nissan S.A. amounted to 342,6 MECU and arose exclusively from operations in France. The undertakings concerned do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State.

4. COMPATIBILITY WITH THE COMMON MARKET

a) Product market

The product market concerned consists of the distribution of passenger cars, commercial vehicles and forklifts. The proposed concentration constitutes a vertical integration whereby the Nissan Group acquires control of its French distributor. The distribution of vehicles is normally operated by means of a pyramidal structure which includes manufacturers, importers/distributors and dealers/subdealers. Agreements may be upstream with the manufacturer or a related company or downstream with the dealer network. Richard Nissan S.A. has a longstanding relationship with the Nissan Group.

b) The geographic reference market

It is not necessary to decide whether there exist a community or national market for the distribution of the abovementioned products since, even in the latter alternative the operation does not raise serious doubts as its compatibility with the Common Market. The market share held by Nissan in France for the three abovementioned product groups are:

Passenger cars	1,11%
Commercial vehicles	1,29%
Forklifts	3,00%

A comparison between the Nissan Group position and that of the French car and vehicle manufacturers reveals a wide gap. For forklifts, three big competitors with larger market shares exist: Fenwick-Linde (23%), Clark (12%) and Toyota (11%). Furthermore, barriers to entry also exist into France for imports coming from Japan.

c) The Nissan Group is a relatively small player in the European market. Its market shares in the Community are: 2,67% for cars, 6,44% for commercial vehicles and 4,2% for forklifts. Market shares in different Member States are as follow:

	Cars	Comm. vehicles	Forklifts
U.K.	5,32%	3,00%	5,6%
Belgium	4,74%	6,77%	2,5%
Holland	5,86%	8,46%	6,0%
Denmark	5,34%	9,47%	6,2%
Greece	12,16%	23,08%	15,1%
Ireland	10,09%	13,45%	10,1%
Spain	0,83%	21,33%	7,6%
Portugal	1,90%	11,05%	11,4%

5. ASSESSMENT OF THE CONCENTRATION

The concentration will not have horizontal effects, and will not lead to an increase of market shares. The only economic effect will be the increase of the value added by the Nissan Group. The concentration will not create or strengthen a dominant position which significantly impedes effective competition.

For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the Common Market. This decision is adopted in application of Article 6(1)b of the Council Regulation N° 4064/89.

For the Commission